MARKET WATCH

	07-04-2020	% CHANGE
Sensex	30067	8.97
US Dollar	75.64	0.64
Brent oil	33.17	

NIFTY 50		
	PRICE	CHANGE
Adani Ports	248.10	3.30
Asian Paints	1623.80	102.90
Axis Bank	388.85	63.40
Bajaj Auto	2280.05	246.30
Bajaj Finserv	4724.90	214.15
Bajaj Finance		
Bharti Airtel	470.20	46.25
BPCL	351.10	33.95
Britannia Ind	2834.50	271.25
Cipla	492.25	43.05
Coal India	140.15.	2.40
Dr Reddys Lab	3583.20	436.40
Eicher Motors		
GAIL (India)		
Grasim Ind		
HCL Tech		
HDFC		
HDFC Bank		
Hero MotoCorp		
Hindalco		
Hind Unilever		
ICICI Bank		
IndusInd Bank		
Bharti Infratel		
Infosys		
Indian OilCorp		
ITC		
JSW Steel		
Kotak Bank		
L&T		
M&M		
Maruti Suzuki		
Nestle India Ltd.		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Shree Cement		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS		
Tech Mahindra		
Titan		
UltraTech Cement		
UPL		
Vedanta		
Wipro		
Zee Entertainment	140.90	16.55

except yen at 4 p.m. on April 07			
CURRENCY	TT BUY	TT SELL	
US Dollar	75.43	75.75	
Euro	81.93	82.28	
British Pound	92.68	93.08	
Japanese Yen (100)	69.14	69.43	
Chinese Yuan	10.69	10.73	
Swiss Franc	77.48	77.81	
Singapore Dollar	52.88	53.12	
Canadian Dollar	53.73	53.98	
Malaysian Ringitt	17.38	17.47	

SBI cuts MCLR by 35 bps

SPECIAL CORRESPONDENT

State Bank of India, the country's largest lender, has reduced the marginal cost of fund-based lending rate (MCLR) by 35 basis points (bps) across all loan tenures. The new rate will come into effect from April

year MCLR of SBI will be

"EMIs on eligible home loan accounts (linked to MCLR) will get cheaper by around ₹24 per ₹1 lakh on a 30-year loan," SBI said.

The move comes after the Reserve Bank of India (RBI) reduced the repo rate by 75 bps in the last week of March.

The lender has also reduced the savings account deposits rate, the second such cut in a month and third cut since November

"In view of adequate liquidity in the system, SBI realigns its interest rates on savings bank deposits, with effect from April 15, 2020," SBI said.

The new rate will be 2.75% for both savings account balance of less than ₹1 lakh and above ₹1 lakh.

Total invests ₹3,707 crore in Adani JV

The equal joint venture with the French energy giant includes 2.15 GW of solar projects

Gujarat-based Adani Green Energy Ltd. (AGEL), a part of the diversified Adani Group, had formed an equal joint venture with French energy giant Total SA.

Total SA has invested ₹3,707 crore in the JV that includes 2.148 GW of solar projects operating across 11 States in India. The deal portfolio also includes Restricted Group 1 and 2 projects, that had recently raised \$862.5 million from international bond markets.

Restricted Group 2 was the first investment grade rated issuance by a renewable business in India and was widely recognised by global capital markets and international publications, the Adani Group said in a release.

"The transaction underlines the partners' commitment to contribute to addressing India's sustainable



Sunny days ahead: AGEL has set a target of achieving 25 GW solar power capacity by 2025, which will make it the largest solar player in the world. • AFP

development goals. Through the establishment of the joint venture, both partners aim to adhere to highest standards of governance and strengthen the foundation of the partnership between the two groups," Adani Group

stated in the release.

The closing of the transaction in the current environment reinforces the strength of the relationship between two partners and underscores the robust joint climate commitment of both, it

said. AGEL has set an ambitious target of achieving 25 GW solar power capacity by 2025, which is aimed at becoming the largest solar player in the world by 2025 and the largest renewable player in the world by 2030.

70% of capex in clean energy and energy-efficient systems

Adani is to invest

Moreover, to support the group's renewable energy vision, the group has committed to invest over 70% of its budgeted capital expenditure into clean energy and energy-efficient systems in the country.

SECO tender

Recently, AGEL participated, as successful bidder in Solar **Energy Corporation of India** (SECO) tender of manufacturing linked development project for a capacity of 8 GW and is awaiting its award.

This is second deal between the Adani Group and Total SA in the energy sector. Earlier, Adani Gas and Total SA formed a JV for gas distribution and retailing of petroleum products in India.

market will be influenced by

the intensity, spread and du-

ration of the COVID-19 pan-

It said homebuyers de-

ferred their purchase deci-

sions due to the evolving sit-

uation around COVID-19,

which led to sales declining

by nearly 30% in the Janu-

ary-March quarter year-on-

year. "The impact of the on-

going pandemic on business

activities has become more

prominent since the begin-

ning of March 2020," the re-

demic.

Markets surge on hopes of virus peaking

FPIs net buy ₹742 crore in shares

SPECIAL CORRESPONDENT

Some cheer

30,000

29,500 29,000

28,500

28,000

Indian equity benchmarks registered their biggest single-day gain in absolute terms on Tuesday as global markets rose on hopes that the COVID-19 pandemic may be hitting its peak and the rising curve would flatten soon.

The 30-share Sensex almost 9%, or 2,476.26 points, to close above the psychological 30,000-mark at 30,067.21.

The Sensex pack saw stocks such as IndusInd Bank, Axis Bank, ICICI Bank, M&M, Hindustan Unilever, Maruti Suzuki India, Nestle, and Reliance Industries, all gaining over 10% on Tuesday.

The broader Nifty gained 708.40 points, or 8.76%, to close at 8,792.20. The India VIX, meanwhile, dipped almost 6% on Tuesday - the first trading session after an extended holiday.

"The rally in the market was driven by positive news with regard to data from New York and Spain on the rate of corona infections," said Abhimanyu Sofat, head, research, IIFL Securities.

"The flattening of the curve would help a risk-on trade in the market. However, for Nifty to go above the 9,000 levels, one would need some additional posiIndices see biggest 1-day gain; more than 1,800 BSE stocks rose, while less than 550 fell

tive news on the domestic front with regard to corona," added Mr. Sofat.

As per reports, the state of New Jersey, which has the second-highest number of COVID-19 cases and deaths, saw a 12% increase in the number of cases on Monday – a sharp fall compared with the 24% rise registered on March 30.

In India, however, the total number of cases is nearing the 4,500-mark with a few State governments suggesting extending the 21-day lockdown.

On the BSE, more than 1,800 stocks rose compared with the less than 550 that declined. Further, more than 400 stocks hit their upper circuit on Tuesday.

Foreign portfolio investors (FPIs) were net buyers at almost ₹742 crore while their domestic counterparts bought shares worth ₹422

Among leading Asian indices, both Hang Seng and Nikkei gained over 2% each while the benchmarks of South Korea, Taiwan, China, Malaysia, Singapore and Philippines all ended with sig-

Developers sitting on ₹3.7 lakh cr. in unsold inventory

May take longer than usual to sell existing 4.55 lakh units, says real estate consultancy firm JLL

LALATENDU MISHRA MUMBAI

The COVID-19 spread in India has added to the woes of the real estate sector, which is saddled with huge unsold inventory.

The January-March quarter of 2020 has witnessed an increase in unsold inventory as launches outpaced sales by a significant margin. Unsold inventory in-

creased from 4,42,228 units in the last quarter of 2019 to 4,55,351 units in the first quarter of 2020, according to a report by JLL

In this period, Mumbai surpassed Delhi NCR to become the market with the maximum quantum as well as value of unsold inventory, the real estate consulting

SPECIAL CORRESPONDENT

Tata Power Solar, a wholly

owned subsidiary of Tata

Power, has received appro-

val to build a 300 MW CPSU-

II for NTPC post the reverse

auction held on February 21,

at a price of ₹1,730.16 crore.

tion date (COD) for this grid-

connected solar photovol-

taic project is set for Septem-

With this order, the order

book of Tata Power Solar

stands at approximately

₹8,541 crore, including ex-

CEO, Tata Power Solar, and

president, Tata Power (Re-

newables), said, "This being

a DCR project, we will be

building the project with our

own cells and modules.'

Ashish Khanna, MD &

ternal and internal orders.

ber 2021.

The commercial opera-



The situation may aggravate liquidity challenges developers face and restrict new launches for some time. • RAJEEV BHATT

firm said. "Across the top seven cities, developers are sitting on an unsold inventory worth ₹3.7 lakh crore at the end of March 2020," JLL

"An assessment of years to sell (YTS) reveals that the ex-

In September 2019, post

reverse auction, Tata Power

Solar had received a Letter

of Award to develop a 105

MW Floating Solar Project

worth about ₹343 crore, in-

cluding three years of opera-

This venture is executed

on the reservoir of NTPC

Kayamkulam district in

Alappuzha, Kerala, and is to

be commissioned within 21

tions and maintenance.

Tata Power unit bags 300

MW deal for ₹1,730 crore

Commercial operation date Sept. 2021

pected time to liquidate this stock has increased marginally from 3.2 years in the last quarter of 2019 to 3.3 years in Q1 2020. With anticipated slower sales in the coming quarters, the time to sell is likely to increase," it

RBI eases

overdraft

rules for States

SPECIAL CORRESPONDENT

In order to provide greater

flexibility to the State go-

vernments to tide over

their cash flow mismatches

due to the lockdown, the

Reserve Bank of India (RBI)

has decided to increase the

number of days for which a

State or a union territory

can be in overdraft contin-

uously to 21 working days

from the current stipula-

The RBI has also in-

creased the number of

days for which a State / UT

can be in overdraft in a

quarter to 50 working days

from the current stipula-

come into force with im-

mediate effect and will re-

main valid till September

30, 2020," the RBI said.

"This arrangement will

tion of 36 working days.

tion of 14 working days.

tutions will alleviate shortterm liquidity concerns and help developers survive in these uncertain times," it added. Despite the concerns of the outbreak of COVID-19 in many countries, the January

said. "Having said this, the

RBI's intervention to provide

a 3-month moratorium on all

term loans by financial insti-

to March quarter saw a 3% increase in new launches of residential units compared to the same period last year. Out of total new launches of 40,574 units in the top seven markets, Mumbai and

Bengaluru accounted for

nearly 60% of the overall

launches during the quarter. JLL said a rebound in India's residential property

port added. The situation is likely to aggravate the liquidity challenges faced by developers and restrict new launches for some time after normal

business conditions are res-

Virus to cull 80,000 retail jobs: RAI survey Over 95% of non-food retailers have shut shop since lockdown took effect pect to earn 56% as com-

PRESS TRUST OF INDIA

About 80,000 jobs are expected to be cut by retailers due to the ongoing COVID-19 $\,$ pandemic, according to a survey by industry body RAI.

Retailers Association of India (RAI) had conducted a survey of 768 retailers, which employ 3,92,963 people across India, to gauge their view on the impact of COVID-19 on their business and manpower.

"Small retailers are expecting to lay off 30% of their manpower going forward, this number falls to 12% for medium (sized) retailers and 5% for large retailers. On the whole, retailers who were surveyed expect lay-offs of about 20% of their manpower," RAI said.

The expectation of retrenchment of 20% amounts to 78,592 people.



employee salary and rent support from the government. •AP

According to the industry body, small retailers featured in the survey employ less than 100 persons and accounted for 65% of the respondents. Medium retailers have 100-1,000 employees making up for 24% of respondents, while large retailers employ over 1,000 people and accounted for 11% of the respondents.

Ever since the lockdown was imposed on March 25, more than 95% of non-food retailers have closed their outlets and are looking at practically no revenues during the period and expect to earn only about 40% of last year's revenue in the next six months, the survey said. As for food retailers, in

the next six months they ex-

pared to last year's revenues. With most of food retailers also selling non-essential goods in the same or different stores, the non-food business in the stores has come to a standstill during the lockdown, leading to revenue loss, it added.

On the business outlook, 70% of the retailers expect business recovery to happen in more than six months, while 20% expect it to take more than a year.

On expectations from the government, RAI said two out of three retailers employing substantial workforce want employee salary and rent support to manage their fixed costs and limit manpower downsizing.

RAI further said two out of five retailers want concessions and relief on GST, taxes and loans.

Indusind Bank shares surge 22.6%

Shares of private sector lender Indusind Bank shot up 22.6% to ₹384.05 apiece on Tuesday after the lender reported healthy business growth for the fourth

In a filing with the exchanges, the lender said its advances grew 13% for FY20 to ₹2.1 lakh crore while deposits rose 4% to ₹2.02 lakh crore. Retail deposits and deposits of small business customers were up 34% year-on-year, the

Liquidity coverage ratio stood at 112.2% for the

SPECIAL CORRESPONDENT

bank said.

quarter ended March 31, 2020. The share of low cost deposits to total deposits fell to 40.5% in March end from 42.4% three months

LALATENDU MISHRA

The growing sense of personal hygiene, social distancing and safety following the COVID-19 pandemic outbreak has made people staying in paying guest (PG) accommodations and private hostels to move to facilities run by co-living companies that provide better living conditions, albeit at a slight-

ly higher cost. Last week, Tech Mahindra moved its staff numbering about 100 living in PG accommodation and elsewhere to a co-living facility run by Guesture at Electronics City, Bengaluru. More corporates are considering similar arrangements to protect their employees as the workfrom-home culture is likely to continue.

Analysts said following the virus outbreak, the unor-



Virus forces corporates to rethink on hygiene

Companies shift their employees from PGs and hostels to co-living facilities

and maintenance issues. • v. SREENIVASA MURTHY of Guesture and founding

ganised housing sector (PGs and private hostels) is facing major issues because of the health, hygiene, cleanliness, infrastructure, density and maintenance of the space during this hour of crisis. These places, according to them, are not best suited to adjust to work from home. Sriram Chitturi, founder

president of the Rental Housing Association of India said, "The transition from the unorganised to the organised sector has gained momentum. A lot of requests are coming from people and companies asking if we could accommodate

"This mega trend is playing out in this industry. Earlier, when we cautioned them [corporates] about such living conditions, they were not that receptive. Today, COVID-19 has changed that attitude," he added.

He said companies themselves would realise that there should be emphasis towards hygiene, cleanliness and standardisation.

"The unorganised players will be losing out substantially because governments have started enforcing rules on the number of people that can be accommodated in a particular space," he

Besides, corporates have now realised that for their business continuity issues, their people must live and work from a place which does not lead to productivity

Economy to contract 4.5% in fourth quarter, says ICRA

Ratings agency pegs FY21 GDP growth at 2%

SPECIAL CORRESPONDENT

The Indian economy is likely to witness a sharp contraction of 4.5% during Q4FY20 and is expected to recover gradually to post a GDP growth of just 2% in FY21, rating agency ICRA said.

ICRA said it reduced the growth forecast due to the nationwide lockdown imposed in the backdrop of the COVID-19 pandemic.

"Concerns have morphed from the impact of imports from China on domestic supply chains into domestic and external demand shock, with social distancing and lockdowns leading to production shutdowns and job losses in some sectors," ICRA said. Sectors that will

aviation, hotels, restaurants and tourism, auto dealerships, ceramic tiles, gems and jewellery, retail, shipping, ports and port services, seafood and poultry and microfinance institutions.

be impacted the most are

The impact on sectors such as automobiles, auto components, building materials, construction, chemicals, residential real estate, consumer goods, pharmaceuticals, logistics, banking, mining, paper, consulting, ferrous metals, footwear, glass, plastics, power and trading are going to be moderate.

"The low impact sectors will be education, dairy products, fertilisers and seeds, FMCG, healthcare, food and food products, insurance, telecom, utilities, sugar, tea, coffee and agricultural produce," ICRA said. The rating agency said ex-

tended demand disruptions are likely to lead to elongated payment cycles.

"Since an entity's liquidity position is of paramount importance to support its credit profile, it is expected that several entities would seek to conserve cash, either by invoking force majeure clauses to revoke payments or by deferring payments to the extent possible," it said, adding this could result in many entities facing working capital blockage as their receivables get stretched and inventory not reducing simultaneously.